

## **MINUTES**

### **MONTANA SENATE 60th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON TAXATION**

**Call to Order:** By **CHAIRMAN JIM ELLIOTT**, on March 6, 2007 at 9:00 A.M., in Room 405 Capitol.

#### **ROLL CALL**

**Members Present:**

Sen. Jim Elliott, Chairman (D)  
Sen. Jerry W. Black (R)  
Sen. Jeff Essmann (R)  
Sen. Kelly Gebhardt (R)  
Sen. Dan Harrington (D)  
Sen. Christine Kaufmann (D)  
Sen. Sam Kitzenberg (D)  
Sen. Jim Peterson (R)  
Sen. Trudi Schmidt (D)  
Sen. Bob Story Jr. (R)

**Members Excused:** Sen. Kim Gillan (D)

**Members Absent:** None.

**Staff Present:** Lee Heiman, Legislative Branch  
Lois O'Connor, Committee Secretary

**Audio Committees:** These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

**Committee Business Summary:**

Hearing & Date Posted: SB 515, 2/26/2007; SB 494,  
2/26/2007; SB 472, 2/26/2007; SB  
464, 2/26/2007  
Executive Action: None.

00:01:45

**HEARING ON SB 515**

**Opening Statement by Sponsor:**

00:02:59 SEN. JOE BALLYEAT (R), SD 34, opened the hearing on SB 515, Contingent reduction of income tax rates based upon surplus revenue.

[EXHIBIT\(tas47a01\)](#)

[EXHIBIT\(tas47a02\)](#)

[EXHIBIT\(tas47a03\)](#)

**Proponents' Testimony:**

00:10:33 Webb Brown, Montana Chamber of Commerce

00:11:12 Susan Gianforte

**Opponents' Testimony:** None.

**Informational Testimony:** None.

**Questions from Committee Members and Responses:**

00:12:57 Sen. Trudi Schmidt to Ms. Gianforte

00:13:48 Sen. Robert Story to Sen. Ballyeat

00:16:05 Sen. Jim Elliott

**Closing by Sponsor:**

00:16:25 Sen. Ballyeat

**HEARING ON SB 494**

**Opening Statement by Sponsor:**

00:19:02 SEN. GARY PERRY (R), SD 35, opened the hearing on SB 494, Special capital gains tax rate on employee-owned Montana stock.

[EXHIBIT\(tas47a04\)](#)

**Proponents' Testimony:**

00:24:46 Greg Gianforte, RightNow Technologies  
00:32:46 Dan Rice, Printing For Less  
00:34:25 Gary Bloomer, TechRanch  
00:37:26 Tim Tripp, Simm's Fishing Products  
00:39:00 Eric Schmidt, General Counsel, Zoot Enterprises

**EXHIBIT (tas47a05)**

00:41:01 Jack Manning, Attorney, Dorsey & Whitney  
00:47:17 Joe Mazurek, D.A. Davidson Company  
00:48:33 Webb Brown, Montana Chamber of Commerce

**Opponents' Testimony:**

00:48:57 Holly Franz, Montana Society of Certified Public  
Accounts (MSCPAs)

**Informational Testimony:**

00:49:41 Ed Caplis, Montana Department of Revenue (DOR)  
00:49:53 Dan Dodds, Montana Department of Revenue (DOR)

**Questions from Committee Members and Responses:**

00:50:08 Sen. Schmidt to Sen. Perry rereferred to Mr. Gianforte,  
RightNow Technologies  
00:52:20 Sen. Christine Kaufmann to Mr. Dodds, DOR  
00:53:00 Sen. Story to Mr. Manning, Dorsey & Whitney  
00:55:53 Sen. Story to Mr. Gianforte, RightNow Technologies  
00:57:04 Sen. Elliott to Mr. Dodds, DOR  
00:58:54 Sen. Elliott to Mr. Gianforte, RightNow Technologies,  
rereferred to Mr. Manning, Dorsey & Whitney  
01:01:25 Sen. Elliott to Mr. Gianforte, RightNow Technologies  
01:03:29 Sen. Elliott to Mr. Rice, Printing For Less

01:05:01 Sen. Story to Mr. Dodds, DOR

01:05:47 Sen. Story to Sen. Perry

01:07:22 Sen. Schmidt to Sen. Perry

01:07:52 Sen. Elliott to Mr. Gianforte, RightNow Technologies

01:09:36 Sen. Story to Mr. Manning, Dorsey & Whitney

**Closing by Sponsor:**

01:10:28 Sen. Perry

**HEARING ON SB 464**

**Opening Statement by Sponsor:**

01:13:21 **SEN. DAN WEINBERG (D), SD 2**, opened the hearing on **SB 464**, Property tax relief - local option realty transfer tax.

**Proponents' Testimony:**

01:19:44 Andy Feury, Mayor, Whitefish

01:32:40 Cris Coughlin, City of Whitefish

01:36:31 Alec Hansen, Montana League of Cities and Towns (MLCT)

**EXHIBIT (tas47a06)**

**Opponents' Testimony:**

01:40:01 Joe Roberts, Montana Association of Realtors (MAR)

01:50:40 Steve Pilcher, Montana Stockgrowers Association (MSA)

01:53:09 John Youngberg, Montana Farm Bureau (MFB)

01:55:49 John Semple, Montana Graingrowers Association (MGA)

01:56:24 Mary Wittinghill, Montana Taxpayers Association  
(MonTax)

01:58:34 Roger Halver, Montana Landlords Association (MLA)

02:00:22 Pat Torgerson, Women Involved in Farm Economics (WIFE)

**Informational Testimony:**

02:02:04 Randy Wilke, Montana Department of Revenue (DOR)

**Questions from Committee Members and Responses:**

02:02:36 Sen. Kelly Gebhardt to Sen. Weinberg rereferred to Mr. Feury, Mayor, Whitefish

02:12:52 Sen. Jeff Essmann to Sen. Weinberg

02:14:14 Sen. Essmann to Mr. Feury, Mayor, Whitefish

02:19:40 Sen. Essmann to Mr. Hansen, MLCT

02:22:26 Sen. Jerry Black to Sen. Weinberg

02:26:25 Sen. Black to Mr. Youngberg, MFB

02:27:33 Sen. Story to Mr. Feury, Mayor, Whitefish

02:30:09 Sen. Story to Sen. Weinberg

02:31:00 Sen. Elliott to Mr. Youngberg, MFB

02:31:42 Sen. Elliott to Mr. Roberts, MAR

02:34:30 Sen. Schmidt to Sen. Weinberg

02:35:45 Sen. Elliott

**Closing by Sponsor:**

02:35:59 Sen. Weinberg

**Discussion:**

02:43:40 Sen. Elliott

**HEARING ON SB 472**

**Opening Statement by Sponsor:**

02:44:10 **SEN. TRUDI SCHMIDT, SD 12, for SEN. KIM GILLAN (D), SD 24,** opened the hearing on **SB 472**, Increase tax credit for disability insurance to small business employees.

**Proponents' Testimony:**

02:45:10 Sen. Jeff Essmann, SD 28

02:46:26 Kurt Kubicka, Montana Medical Association (MMA)

**EXHIBIT (tas47a07)**

02:51:04 Tanya Ask, Montana Blue Cross and Blue Shield (MTBCBS)

**EXHIBIT (tas47a08)**

02:55:59 Riley Johnson, National Federation of Independent  
Business (NFIB)

02:58:14 Don Allen, Montana Insurance and Financial Advisors  
(MIFA)

02:59:26 Frank Cote, Americas Health Insurance Plans (AHIP)

03:00:47 Jason Todhunter, Montana Logging Association

**Opponents' Testimony:** None.

**Informational Testimony:**

03:01:20 Barbara Wagner, Montana Department of Revenue (DOR)

**Questions from Committee Members and Responses:** None.

**Closing by Sponsor:**

03:01:59 Sen. Schmidt closed for Sen. Gillan

**ADJOURNMENT**

Adjournment: 12:05 A.M.

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SEN. JIM ELLIOTT, Chairman

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LOIS O'CONNOR, Secretary

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Additional Exhibits:

**EXHIBIT ([tas47aad.pdf](#))**